(d) The objective of the Government and the Securities and Exchange Board of India (SEBI) is to ensure that capital markets operate in an orderly, transparent, safe and fair manner. SEBI has taken several surveillance and risk management measures for protecting market safety and integrity. SEBI keeps under constant watch the developments in the capital markets in consultation with the stock exchange, depositories and other agencies for detecting and preventing any manipulation and taking deterrent action.

FDI in food processing sector

560. SHRI B.J. PANDA: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that Government propose to attract foreign investment in the food processing industry sector and propose to spend around Rs. 100 crore in mega food parks and offer 100 per cent FDI with income tax benefits;

(b) if so, the details thereof;

(c) the action plan of Government to provide impetus to the food processing sector;

(d) whether Government have worked out a National Food Processing Policy to address the challenges; and

(e) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) and (b) 100% FDI is already permitted in food processing sector except in food retailing, plantations and alcoholic beverages. As regards mega food parks the same is at conceptual stage. However financial assistance is provided @ 25% of project cost in general areas and @ 33.33% in difficult areas subject to a maximum of Rs.. 4.00 crore for setting up of food parks under infrastructure scheme.

(c) to (e) For giving boost to growth of food processing industries, the Government has allowed under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package

fruits and vegetables. Recently Government has announced launching of a National Horticulture Mission *w.e.f.* 1st April 2005 with an objective to ensure an end-to-end approach for the horticulture sector. A Draft National Policy of Food processign has been framed. Draft Policy envisages possible measures to be taken for reduction in wastage, increase in level of processing, enhancement in value addition, etc.

Share of small and cottage industries in the growth of FPI

†561. SHRI RAJ MOHINDER SINGH MAJITHA:
DR. MURLI MANOHAR JOSHI:

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that food processing industry has achieved around 8 per cent growth rate in recent years;

(b) if not, the facts in this regard;

(c) whether it is a fact that the share of small and cottage industries is much more than that of multi-national companies and large industries; and

(d) if so, the ratio of the share of small and cottage industry and the production being made out of total established capacity in this sector?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) and (b) According to an estimate, growth of food processing industries was 7.1% in the last few years of 9th Plan. Growth rate during the 10th Plan is estimated to be 7.3% for a GDP growth of 6%.

(c) and (d) Based on employment the entire industrial sector including food processing industries can be broadly classified as organized and unorganized sectors. Accordingly as per the available information, there were 27,000 food-processing units in the organized sector and 51.15 lakh FPI units in the unorganized sectors. In employment terms, share of the unorganized sector is 84.95%. However, in terms of gross output,

† Original notice of the question was received in Hindi.